

# Minimum Wage Working Group

## *Public Meeting*



# Structure of Public Meeting

## Agenda

- Overview of the Minimum Wage Working Group
- Overview of the Public Engagement Process
- Information about Low-wage Workers in Chicago
- Information about Minimum Wage Proposals at the State, Federal and Local levels
- Public Testimonies

## Guidelines for Public Input

- All who wish to speak publicly will have the opportunity to do so
- Please keep comments within the topic of a minimum wage proposal, and understand the limited purview of this panel when commenting.
- To allow everyone a chance to speak, please limit your comments to 2 minutes.
- Names will be called in order and set by a sign-up sheet available at the main entrance.
- Anyone not present when their name is called will forfeit their turn.
- We also encourage all to submit written comments via the public web sites:  
[www.cityofchicago.org/MinimumWage](http://www.cityofchicago.org/MinimumWage)

## **The Minimum Wage Working Group is working to develop a balanced plan to increase the minimum wage in Chicago.**

- In May, Mayor Emanuel announced the Minimum Wage Working Group of community, labor and business leaders to develop a balanced plan to increase the minimum wage in Chicago.
- The Group has been tasked with evaluating options for both short and long-term wage increases for Chicago's workers to ensure every working Chicagoan has a shot at the middle class.
- A final report including recommended real wage increases for minimum wage employees and tipped employees is due to Mayor Emanuel in early July.

# We represent a broad range of interests in the City

- John Bouman, President, Sargent Shriver Center on Poverty Law (co-chair)
- Will Burns, Alderman of the 4th Ward (co-chair)
- Deborah Bennett, Senior Program Officer, Polk Bros. Foundation
- Matt Brandon, SEIU Local 73
- Carrie Austin, Alderman, Alderman of the 34th Ward and Chairman of the City Council Committee on the Budget and Government Operations
- Walter Burnett, Alderman of the 27th Ward and Chairman of the City Council Committee on Pedestrian and Traffic Safety
- Sol Flores, Executive Director, La Casa Norte
- Theresa Mintle, CEO, Chicagoland Chamber of Commerce
- Emma Mitts, Alderman of the 37th Ward and Chairman of the City Council Committee on License and Consumer Protection
- Joe Moore, Alderman of the 49th Ward and Chairman of the City Council Committee on Special Events, Cultural Affairs and Recreation
- Ameya Pawar, Alderman of the 47th Ward
- Maria Pesqueira, Mujeres Latinas en Accion
- Ariel Reboyras, Alderman of the 30th Ward and Chairman of the City Council Committee on Human Relations
- JoAnn Thompson, Alderman of the 16th Ward
- Sam Toia, President, Illinois Restaurant Association
- Tanya Triche, Vice President and General Council, Illinois Retail Merchants Association
- Andrea Zopp, President and CEO, Chicago Urban League

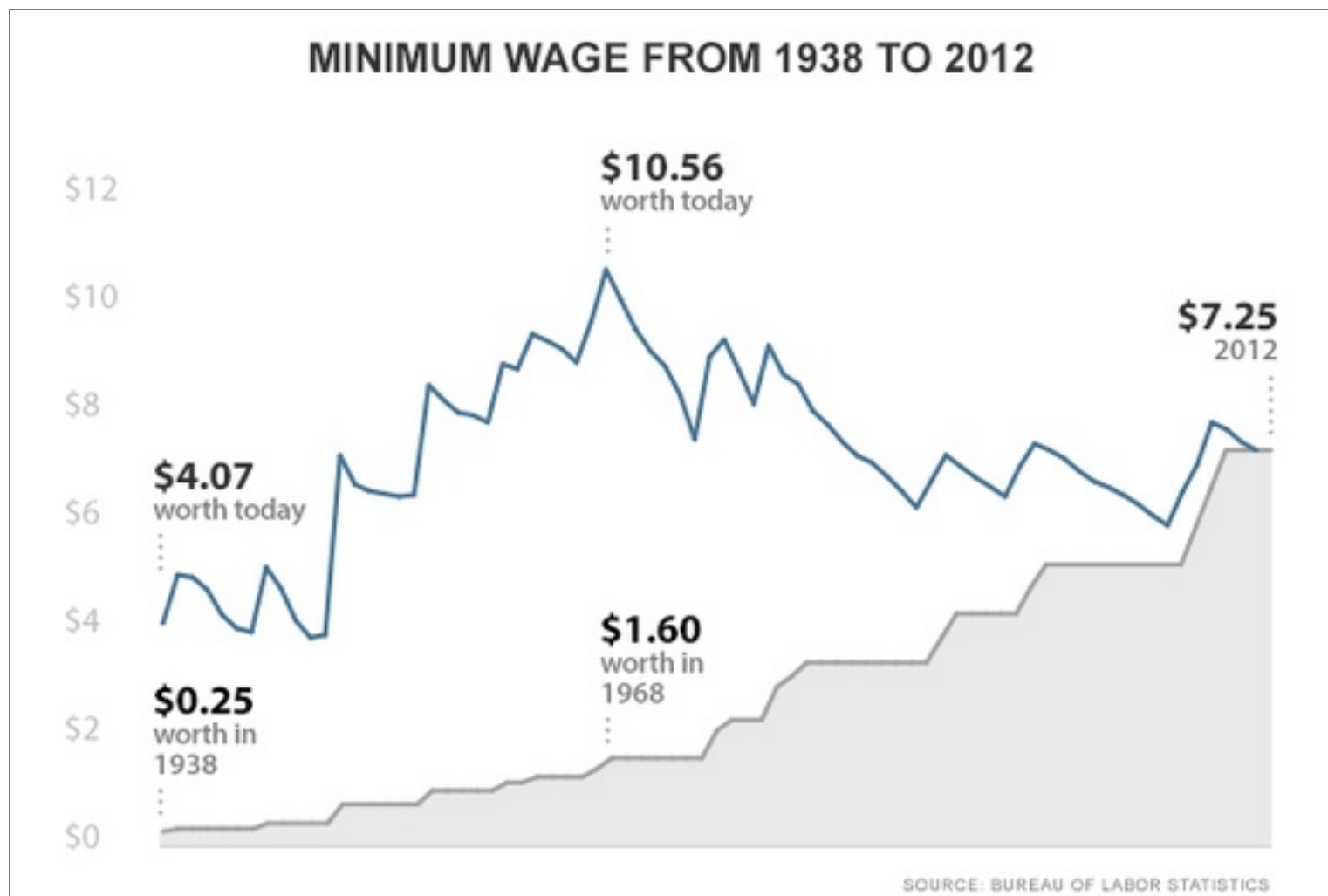
# **We want to hear from residents across the City**

- We will hold public meetings throughout the City and consult experts and stakeholders across business, community, labor and civic areas.
- **Dates and times for the four remaining hearings are:**
  - Monday, June 9<sup>th</sup>, Kennedy-King College (6301 S Halsted St), 7PM
  - Thursday, June 12<sup>th</sup>, Malcolm X College (1900 W Van Buren St), 7PM
  - Thursday, June 19<sup>th</sup>, Truman College (1145 W Wilson Ave), 7PM
  - Tuesday, June 24<sup>th</sup>, Arturo Velazquez Institute (2800 S. Western), 7PM
  - Thursday, June 26<sup>th</sup>, Roberto Clemente Community Academy (1147 N Western Ave), 7PM
- **The Group has also launched a website to serve as an additional forum for public comment and information at [www.cityofchicago.org/MinimumWage](http://www.cityofchicago.org/MinimumWage).**

# Our recommendations are due in early July

- **Objective: To develop a balanced proposal for increasing the minimum wage for workers in Chicago**
- **Why?**
  - **By historical standards, the value of the current minimum wage is fairly low.**
    - Rising inflation has outpaced rises in the minimum wage, so that the minimum wage today is worth a few dollars less than its real value peak of \$10.56 in 1968.
    - The last federal minimum wage increase took place in 2009; Illinois minimum wage increased in 2010
  - **Living costs are rising for working families:**
    - Affordable housing is increasingly unattainable for middle-income families as a tightening market pushes up rents ever faster, outrunning modest rises in pay. In Chicago, rent as a percentage of income has risen to 31 percent, from a historical average of 21 percent. ([NYTimes](#))
  - **According to the US Census, 22.1% of Chicagoans live below the poverty level.**
    - In comparison, 13.7% of the overall Illinois population lives below the poverty level and 14.9% of the overall US population.

**By historical standards, the real value of the federal minimum wage has declined since a peak in 1968**



# Here's what we know about the Chicago low wage worker

- **In the US, among those earning under \$10 per hour:**
  - Work an average of 29.4 hrs/wk
    - 63.1% work full time and 10% of part timers want to work full time
  - 81% are not in school
  - Although women make up 46% of the total workforce, 58% of those making less than \$10/hr are female
  - Although white, non-Latinos make up 69% of the total workforce, this population only accounts for 57% of workers making less than \$10/hr
- **In Chicago, those earning under \$15 per hour (NELP):**
  - Account for 38.2% of all wage earners (1.3 million total)
  - 60% are women (Women Employed)
  - Account for 41% of all wage-earning women and 35% of wage-earning men
  - Account for 61% of all wage-earning Hispanics; 45% of African Americans; 25% of Whites
  - 71.5% work 35 hours or more per week
  - 96% are adults over age 20
  - 35% are parents, and they account for 48% of all wage-earning parents
  - It is estimated that over half are employed by businesses with over \$50 million in revenue
  - Women account for 2/3 of all tipped workers (Women Employed)



# Proposals have been made at the Federal and State level to raise the minimum wage

## Federal proposal

- Currently, the Federal minimum wage is \$7.25
- The Fair Minimum Wage Act (H.R. 1010), if passed would increase the minimum wage in three steps, from \$7.25 to \$10.10 per hour.
- The rate will then be indexed to inflation each year thereafter.
- In addition, the legislation will increase the required cash wage for tipped workers in annual 85 cent increases, from today's \$2.13 per hour until the tip credit reaches 70 percent of the regular minimum wage.

## State proposal

- Currently, the Illinois minimum wage is \$8.25
- In November, the question of whether Illinois should raise its minimum wage to \$10/ hr will go before voters under an advisory referendum
- In addition, a Minimum Wage bill was voted out of the Illinois Senate Executive Committee in March raise the minimum to \$10.65 by July 2016.

# At the local level, several cities across the country have passed minimum wage laws

## Seattle

- Increases min wage to \$15/hr, but does so in gradual steps over multiple years
- Min wage is then indexed to inflation
- Small businesses with 500 or less employees have a longer time (until 2021) to reach \$15 than larger businesses, which have until 2017

## Washington, DC

- Raises min wage to \$11.50 by 2016, always \$1 above the federal min. and indexed to inflation
- Tipped employees have a minimum wage of \$2.77 /hr

## San Francisco

- Currently \$10.74/hr
- Small businesses (<10 employees) and non-profits were exempt during 1<sup>st</sup> yr of ordinance

## Chicago (proposed by coalition of alderman)

- Increases min wage to \$15/hr within 1 year for larger businesses and over 4 years for smaller businesses.
- Tipped workers may make 70% of the applicable minimum wage rate for each size of employer
- Exceptions include summer youth employment program, employers with fewer than 4 employees, religious organizations, or student employed at a college or university.